

E. A. Ulyanova

Ural Federal University (Yekaterinburg, Russian Federation)  
Analytical centre 'Expert' (Yekaterinburg, Russian Federation)

## DEVELOPMENT OF REGIONAL STRATEGIES IN RUSSIA: THE CASE OF SVERDLOVSK REGION

*The article discusses the recent renewal of the 'Strategy for Socio-Economic Development of Sverdlovsk Region until 2030' and its 'Action Plan'. Both of these documents were brought into compliance with the Federal Law № 172-ФЗ 'On Strategic Planning in the Russian Federation'.<sup>1</sup> In the region's strategic planning it was the first time that the communicative approach was applied. Drafting the strategic documents necessitated setting priorities in the long-term development of the region.*

*The article describes the methodology for designing the region's strategic documentation and the drafting process and provides schemes of strategic planning realized in Sverdlovsk region. The article outlines the key provisions of the 'Strategy of Socio-Economic Development of Sverdlovsk Region for the Period Between 2016 and 2030' and the 'Action Plan for Implementation of the Strategy'. Drawing from the experience of Sverdlovsk region, recommendations are given on optimization of strategic planning on regional and municipal levels.*

**Keywords:** strategic planning, strategy, action plan, long-term forecast, socio-economic development, regional policy, regional development

### Introduction

At the end of the first decade of the twenty-first century, Russia confronted a range of new economic, financial, geopolitical, and technological challenges, both internal and external, which affected the quality of life, economic development, and the system of state governance in the country. Therefore, the government had to adjust the country's long-term priorities, in particular those in the sphere of state strategic planning and socio-economic development. This issue can be addressed only if the system of state governance operates efficiently on all levels, from municipalities to central government agencies. It is believed that only efficient governance on the regional level can ensure the efficient governance of the whole state [1].

According to the study conducted by the team of researchers from the Higher School of Economics 'Russian Regions: Management and Prosperity' [2], by 2013, 61 regions had their own strategic planning documents while by 2014, their number had risen to 78 (out of 83). Alisher Akhmedjonov and his colleagues, however, have also found evidence that these documents tended to have a declarative character and failed to have any real impact on the situation. It can be explained by the following reasons: first, the lack of a consistent system of strategic planning and the lack of a comparative base with key indicators, deadlines, and in-depth explanations of strategic objectives. It should be noted, however, that Russia is not the only country lacking in theoretical reflection on its strategic regional planning [3]. In addition, in Russia, there was no coherent methodological framework underpinning state programs and President's decrees. Second, the adopted strategies did not accommodate the specific regional contexts, that is, the regions' financial capacities; human capital; natural and climatic conditions; manufacturing capabilities and so on [4,5]. A considerable part of regional resources was either used for the purposes of operations management or for executing federal commissions to the detriment of strategic progress [6].

<sup>1</sup> The project was commissioned by the Ministry of Economy of Sverdlovsk region and was realized by the analytical centre 'Expert' and the Graduate School of Economics and Management of the Ural Federal University.

Therefore, the adoption of the federal law on strategic planning in 2014 <sup>2</sup>was an important step towards building an efficient comprehensive system of state governance through creating a clearly organized hierarchy of strategic planning documents for federal, regional, and municipal levels.

Irina Ilyina and her colleagues analyzed the regional strategies of socio-economic development that were being implemented at the time when the Federal Law № 172-ФЗ was adopted (research project 'The Future of Russian Regions: Analytical Survey of Strategic Planning Documentation of Russian Regions') [7]. These researchers identified drawbacks and achievements in strategic planning and proposed guidelines for further improvement in this sphere. It was found that the level of document preparation was 'low' in Sverdlovsk region and in other fifteen Russian regions while the plans described remained only on paper and were never implemented. The strategy encompassed the development of specific socio-economic areas and to some extent reflected the mechanisms, tools, and resources of management, implementation, and monitoring of the corresponding document. As a result, it was recommended to bring the document in compliance with the federal requirements that the new law prescribes with regard to the strategic priorities of the regions and those regional practices that have proven to be the most effective.

Thus, Sverdlovsk region was among the first to initiate the strategic planning process<sup>3</sup>.

### **Theoretical framework**

Federal Law N 172-ФЗ of 28 June 2014 'On Strategic Planning in the Russian Federation' sets the legal framework and the guiding principles of strategic planning in Russia. More specifically, this law ensures coordination of state and municipal strategic planning and budgeting; it defines the level of authority for government agencies and for local government; and it determines their relationships with each other and with public, academic, and other organizations in strategic planning. The law describes a unified three-level system, comprising federal, regional, and municipal levels. The law also sets deadlines for the preparation of planning documentation; determines the subordination and contents of these documents; and requires that they should be registered. Stakeholder collaboration and audience engagement should be ensured at all stages of the strategic planning process: from drafting the documents to further monitoring and control over their implementation. The transition period for the implementation of the law should last until 1 January 2019.

The law describes the contents of the key strategic documents, but it does not specify the process of their development, which should supposedly follow certain methodological guidelines. However, at the time when the documentation for Sverdlovsk region was being drafted, the development of these guidelines was still under way.

The documents on socio-economic development in regions usually include the mission statement, programs, projects and plans [8]. The mission deals with the general ideas of development; the strategy, with the main goals and the methods of achieving them, which are specified in programs. Programs are usually meant for a short term of two or three years, that is, they are time-bound, and describe the objectives and steps to achieve them. A plan contains a set of specific measures to be taken, a list of designated persons in charge, and resources necessary to realize those measures. The planning decisions comprise the following: 1) the desired outcomes for the territory; 2) the ways to achieve the desired outcomes. The hierarchy of documents looks as follows: strategy – program – plan [9]. The law, however, sets a different hierarchy: strategy – plan – program. Therefore, the hierarchy of strategic documents in Sverdlovsk region was built in compliance with the law requirements.

Modern strategic planning is based on the communicative approach, which advocates collaboration of all stakeholders in the process of creating strategies and their implementation [10, 11]. In contrast to this approach, the previously applied 'external management' implied that regional development is managed either externally or internally without taking into account the opinions of those who are directly connected to the territory in question. Therefore, in the course of strategizing, it is essential to focus separately on

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<sup>2</sup> Federal Law of 28 June 2014 N 172-ФЗ 'On Strategic Planning in the Russian Federation'

<sup>3</sup> Law of Sverdlovsk region of 15 June 2015 N 45-O3 'On Strategic Planning in the Russian Federation Implemented in Sverdlovsk Region'.

accommodation of stakeholders' interests as regards their vision of the region's future and the main projects to be pursued.

Another significant aspect of strategic planning is associated with the professional management of this process, which requires a project-based approach. Strategic documents for Sverdlovsk region were designed on the basis of the 'CDEP' approach proposed by the Leontiev Centre, 'CDEP' standing for 'coordination – development – expert evaluation – promotion'. All these four types of activity are to be found at every stage of strategic planning: coordination of the process, drafting of documents, expert evaluation of stakeholders' activities, and promotion of the process.

### Drafting the strategic planning documents for Sverdlovsk region

According to the Law № 172-ФЗ, the strategic planning documentation for Sverdlovsk region should comprise the following (see Fig.1):

- long-term and short-term forecasts of socio-economic development;
- budget projection;
- strategies of socio-economic development for the period until 2030 (hereinafter 'Strategy-2030' or 'Strategy');
- and the action plan for strategy implementation (hereinafter 'Action Plan' or 'Plan').

The 'Strategy of Socio-Economic Development of Sverdlovsk region until 2030' relies on the objective-oriented scenario described in the long-term forecast.

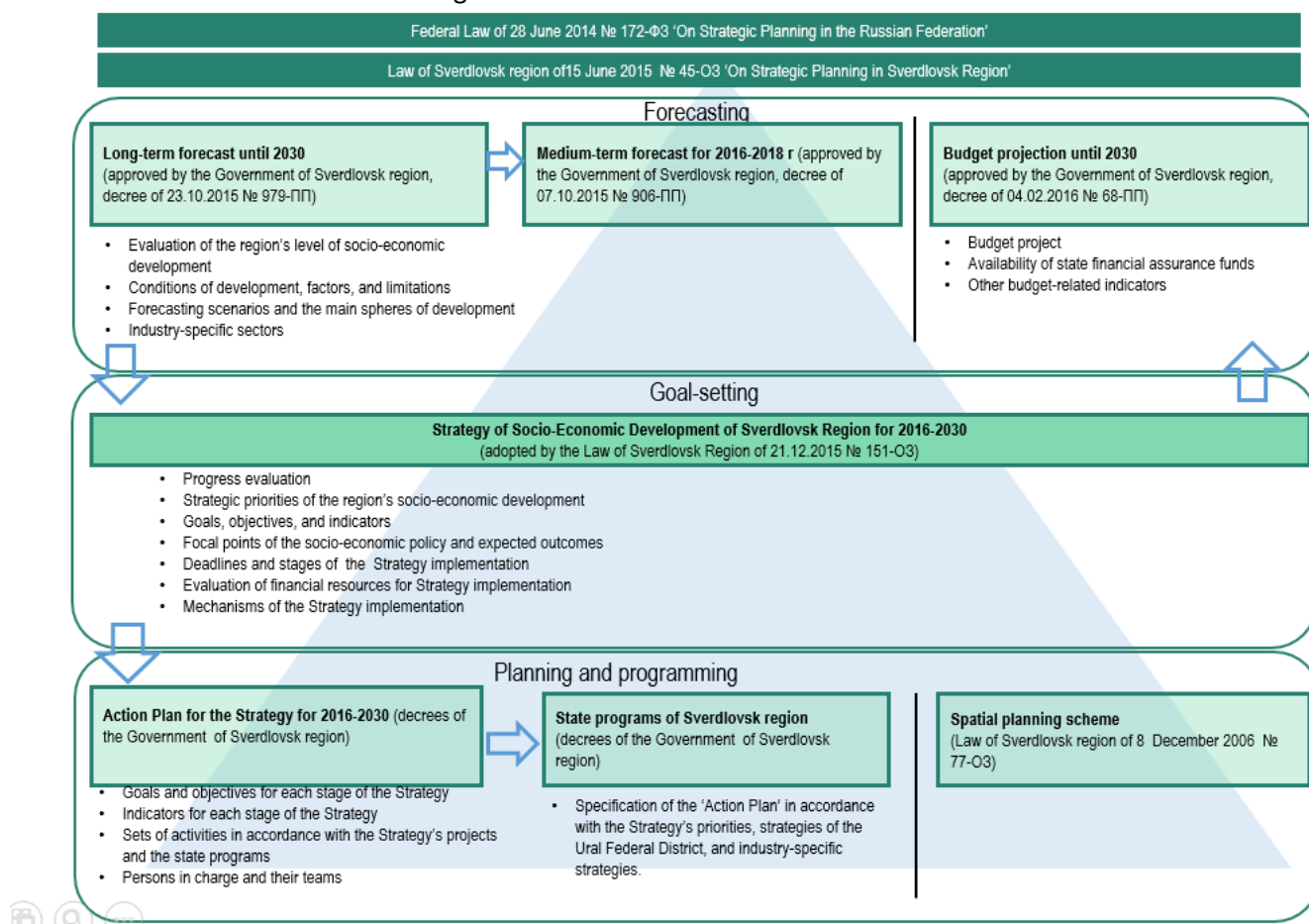


Fig 1. Legal framework for strategic planning in Sverdlovsk region.

The forecast<sup>4</sup> was variable-based and included four scenarios:

- According to **the inertial scenario**, the investment in the region's economy will decline and a number of manufacturing plants in the region will shut down. The structure of the region's economy will continue to be dominated by the industrial complex. State support will be minimal since the government will be striving to maintain the current level of economic development and prevent further deterioration of the economy.

- According to **the moderately conservative scenario**, the region will continue lagging behind in high- and medium-technology sectors. In this scenario, the state support will be mostly focused on the basic industries. Despite the positive growth of production, the volume of capital investment will be insufficient for any significant technological or structural changes.

- **The objective-oriented scenario** is centred around investment. This scenario requires an active policy aimed at new industrialization and building of a modern transport infrastructure. It is expected that the state support will be primarily targeted at the high-potential sectors of economy and will result in the development of related sectors. The highest growth potential is thus associated with the technically advanced industries, in particular the machine-building sector.

- **The scenario of accelerated innovation development** differs from the previous scenario by the rapid pace of growth and the enhanced rate of capital accumulation for private businesses.

Strategic planning starts with initiation. In the case of Sverdlovsk region, this stage resulted in a set of legal acts to regulate the specific elements of this process. Furthermore, at this stage an organization was selected to manage this process and a Gantt chart for drafting the Strategy and Action Plan was constructed in accordance with the project-based approach.

The second stage dealt with the development of the mission statement, which was aligned in accordance with the federal and regional strategies and also took into account comments and suggestions made by the Strategic Planning Councils (there are over 25 councils working under the supervision of the region's Ministries), participants of the working meetings, strategic planning sessions, foresight sessions, and sessions of scenario planning, which were held regularly since 2014 (see Figure 3).

To identify the priorities for the development of Sverdlovsk region until 2030 and to develop the goal-setting system for the Strategy, the research group applied SWOT-analysis of the factors of the region's socio-economic development. As a result, the group identified the pivotal competitive competencies of the region as well as the challenges and threats to be addressed.

The goal-setting system and the mission statement received clearance at the meeting of the group led by the Chairman of the Sverdlovsk regional government.

After that, the leading Russian experts in the sphere of regional socio-economic development and regional policy were invited to evaluate the proposed goal-setting system and the mission. Finally, the mission was adopted by the Decree of Sverdlovsk Region 'Strategy-2030'<sup>5</sup>.

This document differs fundamentally from traditional industry-specific strategies. The Strategy complies with the federal and regional legislation and points out the three main priorities, fifteen spheres of development, and twenty-seven strategic projects, which are meant to give the region a competitive edge and help it cope with the long-term challenges it faces.

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<sup>4</sup> Decree of the Government of Sverdlovsk Region of 23.10.2015 N 979-III 'On the Approval of the Long-Term Forecast of the Socio-Economic Development of Sverdlovsk Region Until 2030'.

<sup>5</sup> Decree of Sverdlovsk Region of 21 December 2015 N 151-O3 'On the Strategy of Socio-Economic Development of Sverdlovsk Region for the Period Between 2016 and 2030'.

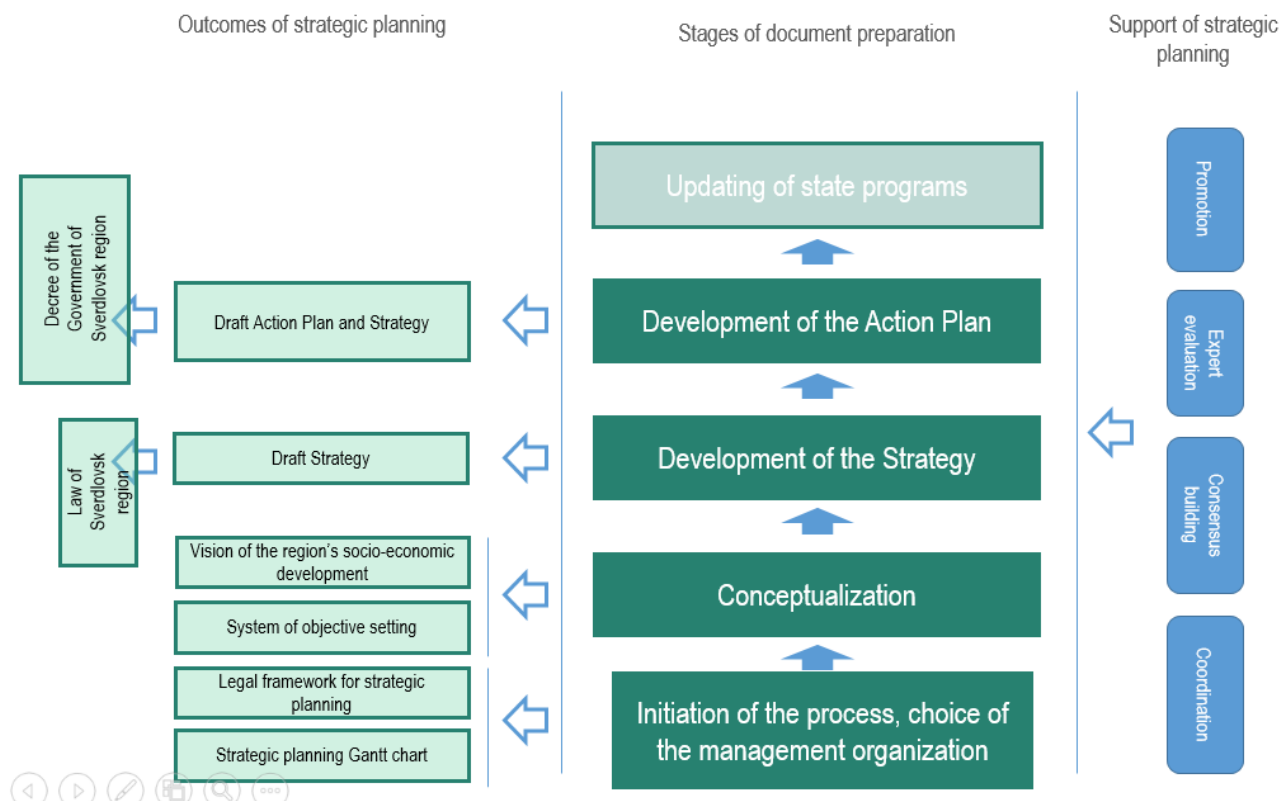


Fig. 2. Scheme of the strategic planning process

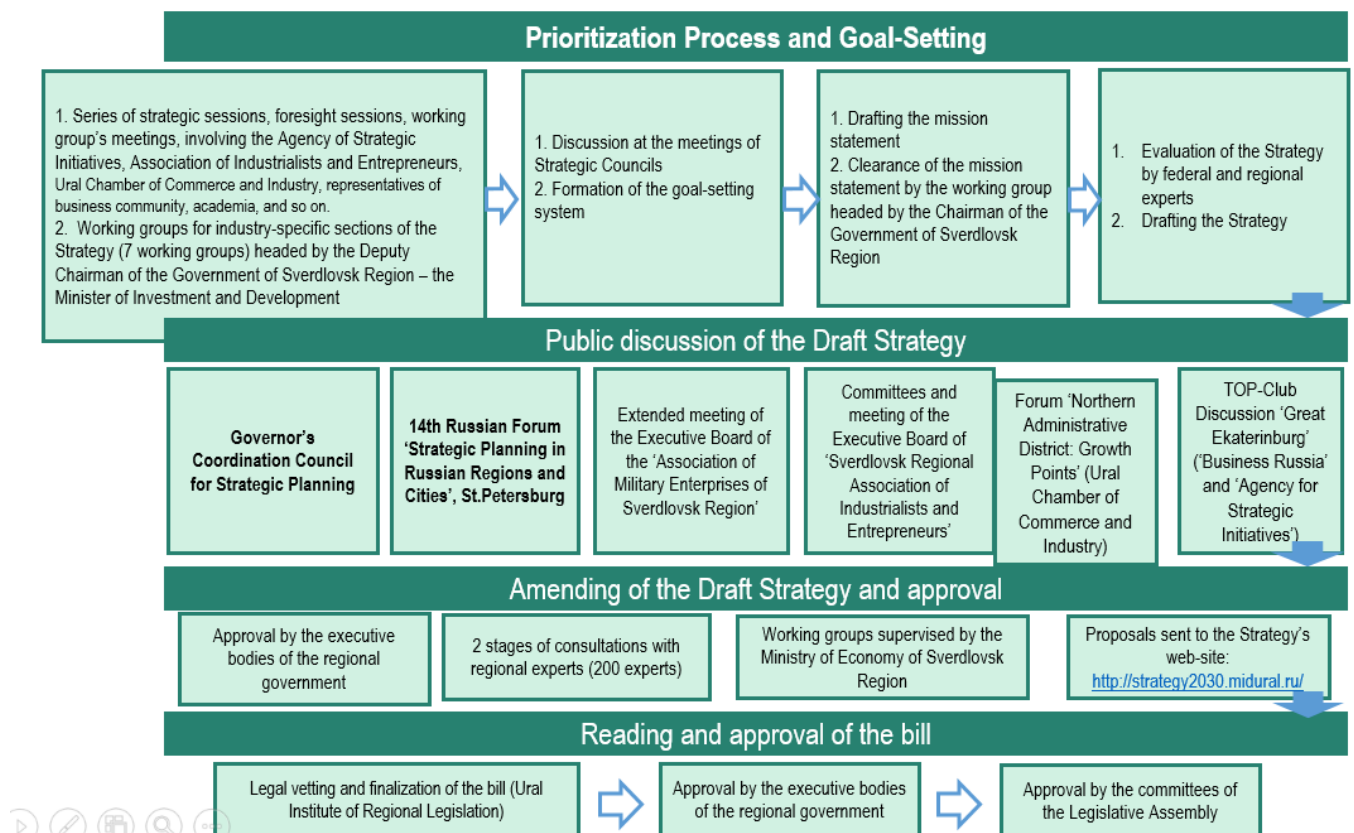


Fig. 3. Application of the communicative approach to drafting the 'Strategy-2030' for Sverdlovsk region.

The Action Plan specified the mechanisms for implementation of the Strategy in accordance with the Federal Law 'On Strategic Planning in the Russian Federation'. The Action Plan was cleared by the Sverdlovsk regional government <sup>6</sup>. Then, following the priorities outlined in the Strategy and the Action Plan, it was proposed to adjust the regional state programs accordingly and to design the relevant strategic planning documents for municipalities of the region.

It should be noted at this point that all the strategic planning documents should be seen as an integral system.

### Strategy of Sverdlovsk region: key principles

A number of major trends can be observed in strategic planning in Russia, including Sverdlovsk region: regional strategies are drafted with the view to and in accordance with the federal strategies [9]. For example, a draft bill builds upon the federal strategic priorities, the so-called 'May Decrees' of the President, and also relies on the analysis of the outcomes of the region's socio-economic development program for 2011-2015 and the analysis of the previous experience in the sphere of preparation and implementation of similar documents ('Strategy-2020' and industry-specific strategies) and experience of other Russian regions.

In addition, for strategic prioritizing it is essential to evaluate the region's strengths and weaknesses (internal factors) and opportunities and challenges of its development (external factors) in the context of global trends.

Sverdlovsk region remains one of the country's industrial leaders. It is also one of the most dynamically developing Russian regions. According to the majority of macroeconomic indicators, Sverdlovsk region is among the top ten regions (Table 1) and it consistently ranks high in prestigious national and international ratings (Table 2).

Table 1

#### Positions of Sverdlovsk region in relation to the key indicators of socio-economic development

Indicator	Position in Russia in 2015	Share in Russia, %
Gross regional product	7 (2014 data)	2.8
The volume of industrial production (C+D+E)	6	3.6
Retail turnover	5	3.8
Wholesale turnover	4	3.2
Capital investments	10	2.4
Property ready for occupation	7	2.9

Table 2.

#### Rating positions of Sverdlovsk region

Rating	Position of Sverdlovsk region
Credit rating (Standard & Poor's), 2016 <sup>7</sup>	'BB' (as of 6 February 2016); Outlook Stable
Investment attractiveness rating (International Group 'RAEX'), 2016 <sup>8</sup>	1B, high potential - moderate risk

<sup>6</sup> Decree of the Government of Sverdlovsk Region of 30.08.2016 N 595-III 'On the Approval of the Action Plan for the Implementation of the Strategy of Socio-Economic Development of Sverdlovsk Region for the Period Between 2016 and 2030'.

<sup>7</sup> Standard&Poor's confirmed the credit rating of Sverdlovsk region at the level of «BB». (2016). <http://www.midural.ru/news/list/document77893/>.



The Quality of Life Rating of Russian Regions (RIA), 2016 <sup>9</sup>	12th
The Russian Regional Innovative Development Ranking (National research university 'Higher School of Economics'), 2016 [13]	13th (group II)
Rating of Innovative Regions of Russia (Association of Innovative Regions of Russia), 2016 <sup>10</sup>	13th
National Rating of the Investment Climate in Russian Regions (Agency for Strategic Initiatives), 2016 <sup>11</sup>	35th

Table 3 illustrates the core competitive advantages of Sverdlovsk region that it needs to capitalize on in the nearest fifteen years. This table also shows problems which can impede the region's socio-economic growth.

Table 3.

**Competitive advantages and problems of Sverdlovsk region**

Competitive advantages	Problems
<p>1) highly developed manufacturing industry and a high level of concentration of military industrial enterprises;</p> <p>2) the administrative centre of Sverdlovsk region is a macro-regional centre of business services;</p> <p>3) high level of indicators characterizing the macro-economic climate for investment;</p> <p>4) highly developed R&amp;D sector;</p> <p>5) high level of innovation in specific economic sectors;</p> <p>6) availability of natural, production, energy, and human resources;</p> <p>7) favourable geographical location as a transport logistics hub.</p>	<p>1) decline in the working-age population, including high mortality rates amongst those of working age and declining life expectancy;</p> <p>2) growing load on the health care system, system of education and the social safety net;</p> <p>3) imbalances between the supply and demand on the labour market for different professions and qualifications;</p> <p>4) low workforce productivity in comparison to developed countries, resulting from high rates of assets deterioration, insufficient or outdated production facilities and equipment; and the low level of innovation;</p> <p>5) dependence of the region's economy on the export-orientated metallurgical sector together with the poor external economic conditions and instability of world metal prices;</p> <p>6) high level of man-induced environmental pollution;</p> <p>7) increased competition for investment with other Russian regions.</p>

<sup>8</sup> Investment Attractiveness of Regions - 2016: High Risk Areas. (2016). RAEX Rating Agency (Expert RA) <http://raexpert.ru/docbank//3a5/7de/1be/dc6c62e7da29a4faa8c961b.pdf>.

<sup>9</sup> The Quality of Life Rating of Russian Regions. (2017). Rating agency 'RIA Rating'. [http://vid1.rian.ru/ig/ratings/life\\_2016.pdf](http://vid1.rian.ru/ig/ratings/life_2016.pdf).

<sup>10</sup> Rating of Innovative Regions of Russia 2016. (2017). Association of Innovative Regions of Russia. [http://www.i-regions.org/images/files/presentations/AIRR\\_26.12.pdf](http://www.i-regions.org/images/files/presentations/AIRR_26.12.pdf).

<sup>11</sup> National Rating of the Investment Climate in Russian Regions (2016). Agency for Strategic Initiatives <https://asi.ru/investclimate/rating/>.

Efficient and adequate solutions to the challenges of the region's long-term development have become a strategic benchmark.

People are at the centre of the whole Strategy: the regional policy for the nearest fifteen years seeks to improve the population's quality of living by creating attractive environment for life and work and enhancing the region's competitiveness in the global economy.

The Strategy puts forth the following top priorities:

- 1) in social life, the new quality of living and creation of competitive conditions for accumulation and maintenance of human capital;
- 2) in economy, new industrialization and enhancement of the region's competitiveness in industry, innovation and entrepreneurship;
- 3) and, finally, ensuring balanced development of Sverdlovsk region to create optimal conditions for life and work.

All the above-described strategic priorities are interconnected since the development of competitive economy is inconceivable without qualified professionals, who need high quality education, health care, and cultural services. On the other hand, it is impossible to improve the quality of living without ensuring the economic stability, which should be based on regional development and modern infrastructure.

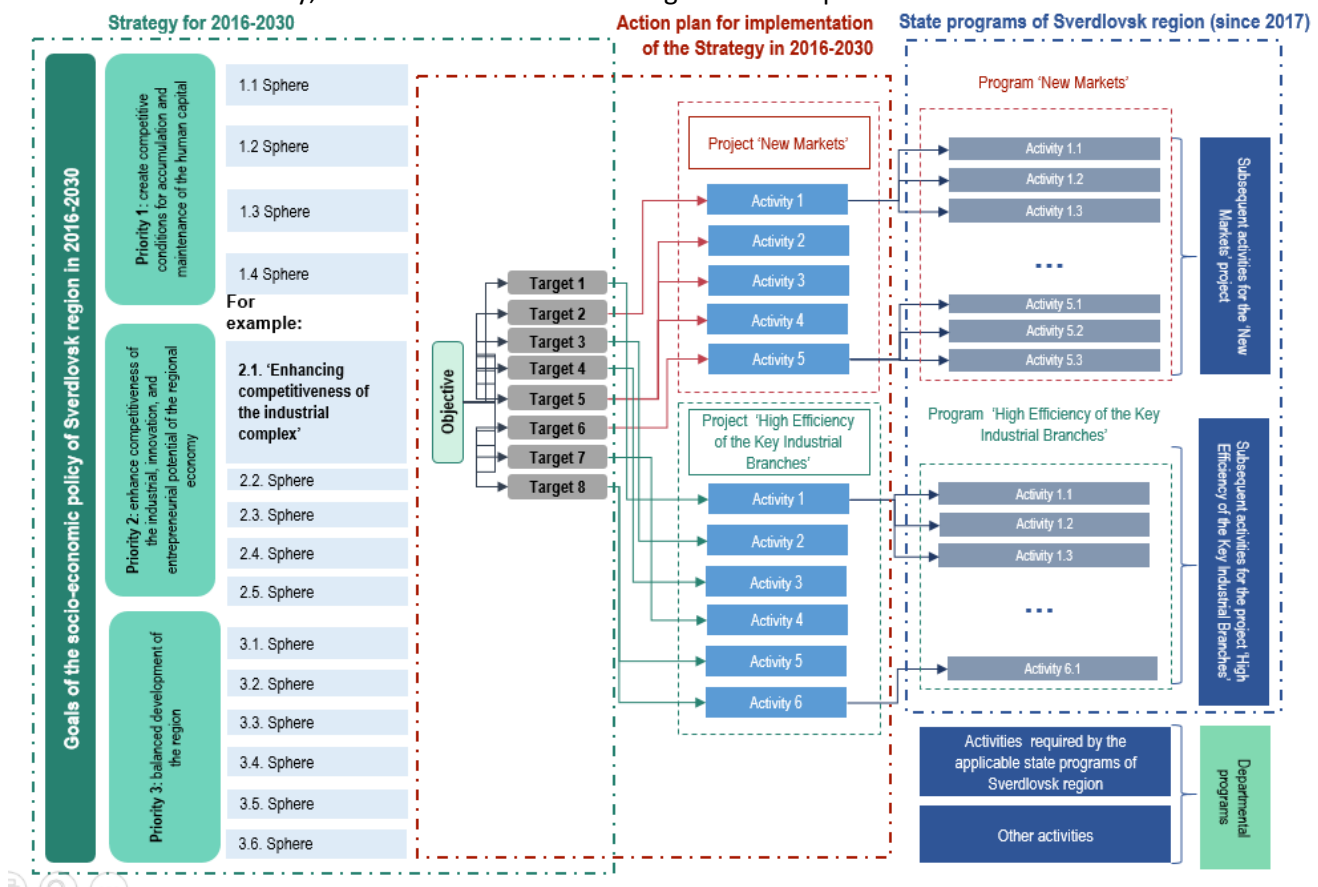


Fig. 4. Hierarchy of strategic planning documents

The general approach to the Strategy was as follows. Strategic priorities were divided into lower-order goals (15), for which specific performance objectives and projects were outlined. The system of strategic projects (27) comprises comprehensive projects orientated towards a wide range of targets to cope with the region's systemic issues or to build on the region's core competencies.

The system of strategic projects laid the foundation for the 'Action Plan-2030', which was the fourth stage of the strategic planning process (Fig.4).

Table 4 presents a brief overview of the key strategic spheres and projects.



Table 4.

**Strategic spheres and projects of socio-economic development in Sverdlovsk region until 2030**

№	Strategic area	Strategic project
1.	<b>Priority 'A New Quality of Life'</b>	
2.	Competitive education	Ural school of engineering
3.		21st-century teachers
4.		High quality education as a foundation for well-being
5.	Public health care	Healthy ageing
6.		Physical culture and healthy lifestyle
7.	Development of the housing and public utility sectors	Affordable housing for Ural families
8.		Development of the housing and utilities infrastructure
9.	Comfortable environment for living	Happy family
10.		Active older generation
11.		Accessible environment
12.		Cultural space
13.		Development of young people's potential
14.	<b>Priority 'New Industrialization'</b>	
15.	Enhancing competitiveness of the industrial complex	New markets
16.		High efficiency of the key industrial branches
17.	Development of innovation	Ural technopolis (technology centre)
18.	Development of the labour market	Balanced labour market
19.	Enhancing investment attractiveness	Favourable business environment
20.	Development of small and medium business	Incentivizing entrepreneurship
21.	<b>Priority 'Territory for Life and Business'</b>	
22.	Priority areas for economic development	New industrial infrastructure
23.	Balanced development of municipalities located	City strategies
24.		Management of agglomeration processes
25.		Ekaterinburg as a global city
26.	Agricultural development	Agricultural development
27.	Development of tourism potential	Tourism industry
28.	Development of the region's transport logistics potential	International transport logistics hub
29.		Transport mobility of the population
30.	Sustainable environmental development of the region	Clean environment

The implementation of the Strategy will be controlled by the Coordination Council for Strategic Planning in Sverdlovsk Region led by the Governor of the region. The main tools in the Strategy implementation include the Action Plan; state programs of Sverdlovsk region; and the spatial planning scheme.

**Action Plan: methodological characteristics**

The Action Plan was aligned in accordance with the Strategy, that is, the federal authorities had not provided any methodological guidelines. The working group adhered to project-based principles, which led them to introducing a number of new methodological elements.

The first such element was associated with the level of project specification. It was important to consider strategic measures regardless of what was currently going on at ministries (as it is usually the case

with state programs) but at the same time to describe these measures as precisely as possible, specifying the stages of their implementation, as it is required by the federal law on strategic planning (Φ3-172). In the future, these activities are expected to be partially specified in state programs of Sverdlovsk region (Fig.4).

The second methodological innovation was that the Action Plan was to be tightly bound to the provisions of the Strategy (Fig.5). All activities were grouped according to the objectives they addressed and the expected outcomes. Apart from the base and final values, they also included quantitative values for each implementation stage. The first stage was described in more detail and was broken down into years (from 2016 to 2018), which makes planning more precise in the short-term. The Strategy sets 2014 as the base year and 2030 as the final year, which means that all the other intermediate values can be adjusted according to the development dynamics in the region and in the country.

The third characteristic of the Action Plan was that it included key indicators of the 'second' level, that is, the key events which would enable us to evaluate the implementation results of each specific measure in each specific period of time and therefore increase the manageability of the Plan.

The fourth characteristic deals with project-based planning, including the planning based on interdepartmental approach. For each project a coordinator-executor was specifically designated to ensure and monitor implementation; for each item of the Action Plan a person in charge was assigned as well as certain representatives of government agencies, business, academia and so on involved in its realization. In the future, a similar interdepartmental approach will underlie state programs of Sverdlovsk region. For instance, state programs that have been implemented since 2014 by one executive body of the government (one budget holder) will now be implemented by several bodies, which will make these projects more comprehensive.

№	Activity	Implementation stages (years)	№ of expected outcome	Target indicator/key event	Unit	Values of target indicators					Person in charge, team members	State program
						2014 (base)	1 stage			2 stage (2019-2024)	3 stage (2025-2030)	
						2016	2017	2018				
Expected results of project implementation in accordance with the Strategy												
			1	Export volume of industrial production in Sverdlovsk region	bln US dollars	6,4	6,7	7,1	7,5	8,7	10,2	
	Set by the Strategy		2	Volume of industrial production and services provided by large and medium organizations in specific industries	trn roubles	1,3	1,3	1,35	1,4	2	2,8	Can be updated
			3	Export volume. (Paragraph 8. Expected outcomes)	bln US dollars	7,7	7,8	7,9	8,1	10,1	12,1	
Activities for 'New Markets' project implementation												
Goal 1. Enhance cooperation, integration, and intersectoral collaboration of the academia, business community, and industrial enterprises (Sphere 'Enhancing competitiveness of the industrial complex')												
1	Development of cooperation between education, R&D, and industrial organizations, small and medium businesses	1 stage (2017-2018) 2 stage (2019-2024) 3 stage (2025-2030)	2	The number of industrial enterprises participating in the relevant projects	units	300	350	400	450	750	1050	Ministry of Industry and Science of Sverdlovsk Region, Ministry of Investment and Development of Sverdlovsk Region  State Program of Sverdlovsk Region 'Development of Industry and Science in Sverdlovsk Region Until 2020'
							Progress indicator (2 <sup>nd</sup> level)					
1.1.	Designing the program for enhancement of cooperation in industry and science in economic sectors of Sverdlovsk region	1 stage (2017-2018)	2	The program of cooperation in industry and science was designed.				100%				Ministry of Industry and Science of Sverdlovsk Region  Key event

Fig. 5. Form of presentation for the Action Plan for the 'Strategy-2030'

Thus, the proposed Plan corresponds to the federal trends in the sphere of project-based management and the key priorities described in the Plan, to those of the general state policy.

Overall, the Plan comprises over 350 activities and events to achieve the goals articulated in the 'Strategy-2030'. Let us now take a closer look at those activities which are new and particularly significant for Sverdlovsk region [14].

The focus of the Plan is to create competitive education, more specifically, enhance quality teaching with regard to teachers and educational institutions. The first step in this process should become the construction of modern schools. The Plan specifies activities to introduce a multi-level system of teacher education. In addition, it is planned to introduce foreign language proficiency certification for teachers to

take the regional system of education to a new level and enable teachers to interact with their foreign colleagues, share their experience and upgrade their teaching qualification.

The Plan includes the project 'Ural School of Engineering', which comprises network forms of cooperation between schools, colleges, universities and enterprises. The objective of this project is to develop children's cognitive skills and enhance their technical creativity as well as construction, modelling and programming competencies.

In higher education, the growth point of the region is the Ural Federal University, which is a participant of the international competitiveness enhancement program. The aim of this program is to enable Russian universities to enter the top-100 in world university rankings. Participation in this program is expected to maximize the impact of higher education institutions and attract more talented and ambitious young people. The project 'Ural School of Engineering', in its turn, will contribute to attracting young engineers to this field.

In health care, the high-priority objectives include improvement of primary care, universal introduction of electronic medical-record system, which will create a unified standard of care encompassing both the formal and more practical sides of the medical process.

The Plan outlines activities to improve the housing conditions: for example, construction of economy-class housing under the program 'Property for Russian Families' and integral development of territories (for example, 'Akademichesky' district, which is one of the largest housing construction projects not only in Russia but also in Europe; districts 'Solnechny' and 'Michurinsky' in Ekaterinburg).

As for the economic development, the Plan delineates activities to be pursued to enhance competitiveness of the region's industries, innovation, investment attractiveness, and business environment.

The project 'New Markets' strives to stimulate efficient cooperation between industrial enterprises, academia, small and medium businesses within the currently operating and emerging clusters. It is also essential to maintain cooperation with the federal institutions that support industries. Another priority of the regional policy is large investment projects aimed at creating new enterprises; modernization and renovation of the existing facilities; and expansion of the product range. The projects will be funded by the Public Foundation for Industrial Development of Sverdlovsk Region. An additional source of funding will be provided through the mechanism of specialized investment contracts.

As for investment attractiveness of Sverdlovsk region, it is planned to lower administrative barriers and to facilitate the process of providing state services for businesses [15]. A special emphasis will be placed on the work with investors, that is, active search for investment and their attraction; implementation of project-based management; and improvement of the corresponding instruments for investment support.

In the sphere of spatial development, it is crucial to provide balanced development of the region by ensuring efficient infrastructural and economic system. The 'Strategy-2030' pursues the idea of intensifying economic and investment processes within municipalities and thus stimulating the integration of these municipalities into the economic life of the region.

Within the project 'Cities' Strategies', the regional government is expected to provide methodological guidance and assistance to municipalities in their strategic planning.

As for the region's spatial development, it is planned to create three agglomerations: Ekaterinburg agglomeration (with the city of Ekaterinburg as its centre); the mining agglomeration (with the centre in Nizhny Tagil); and the northern agglomeration of cities (Serov, Krasnoturyinsk, and so on). For this purpose, it is necessary to develop the corresponding legal acts and master plans of agglomerations (the work on defining the principles of Ekaterinburg agglomeration has already started) and to update the scheme of the region's spatial planning. All these activities are included in the project 'Management of Agglomeration Processes'.

Another pivotal sphere of the region's transport logistics development is the project 'International Transport Logistics Hub'.

The system of monitoring and control over the implementation of the Action Plan and therefore the Strategy will be as follows. The Coordination Council headed by the Governor of Sverdlovsk region will be in charge of the operational control over the implementation of the Action Plan and the Strategy. Roles and responsibilities will also be mandated for specific representatives of business, academia and public

organizations. The Council will meet on a quarterly basis to discuss one or two projects from the Action Plan.

The Ministry of Economy of Sverdlovsk region as an authorized authority will be sending annual progress reports to the Legislative Assembly.

I have thus provided a general overview of the activities to build an efficient regional system of state governance. The Plan will be further specified in state programs of Sverdlovsk region and thus used to draw up the regional budget. Sverdlovsk region will have a regulatory base for the system of strategic planning, ensuring the optimal coordination of strategic planning and budgeting as required by the federal law.

### Conclusion

The implementation of the project to renew and update the 'Strategy for Socio-Economic Development of Sverdlovsk Region until 2030' and the corresponding Action Plan has brought to our attention the following aspects which need to be considered by other regions in their strategic planning and efficiency enhancement programs.

1) Firstly, it is essential to balance the interests of the key stakeholders in the region, in particular those who have a significant impact on the region such as regional and local authorities, businesses, public organizations, infrastructural agencies, educational institutions, and local inhabitants.

2) Secondly, it is necessary to identify the strategic priorities in the development of the region and focus the effort on the key projects such as comprehensive projects to develop contiguous spheres in the life of the region.

3) Thirdly, the proposed ideas and projects should be evaluated by external experts to increase productivity of stakeholders and provide all the necessary materials for development of strategic planning documentation.

4) Fourthly, the project-based approach should be applied to the process of strategic planning. Since this kind of strategic planning and the communicative approach being applied are relatively new for the region, it will be essential to organize professional management of this process and enhance the efficiency of the government's cooperation with companies specializing in such large-scale projects.

5) And, finally, it is important to enhance stakeholders' awareness of the course and results of strategic planning and to stimulate their interest in planning and the subsequent implementation of these plans.

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### **Author**

**Ulyanova Elisaveta Andreevna** — Director of the Centre for Regional Economic Studies, Graduate School of Economics, Ural Federal University (Ekaterinburg, Mira str., 19); Executive Director of the analytical centre 'Expert' (Ekaterinburg, Malysheva str., 105; email: [uralsertif@inbox.ru](mailto:uralsertif@inbox.ru))